

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6764

BILL NUMBER: HB 1182

NOTE PREPARED: Dec 24, 2008

BILL AMENDED:

SUBJECT: County Jail Health Care Reimbursement Rate.

FIRST AUTHOR: Rep. Blanton

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill specifies the reimbursement requirement for health care services provided to certain county prisoners.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Reimbursement for Health Care Services:* Any change in health care expenditures that counties spend on jailed inmates will depend on the arrangements that sheriffs in each county may currently have. Sheriffs with no contractual arrangements with health providers will generally be paying "billed charges" based on services rendered. These billed charges are the highest amount that the health care provider charges for supplies and services.

The bill requires that counties reimburse certain medical expenses incurred by lawfully detained individuals who do not have private insurance at the Medicaid fee-for-service rate. Presumably, sheriffs who do not have contractual arrangements for any type of discounted payment will pay less than the billed charge for inmate health care and thus save money under the bill.

LSA has no data concerning any contractual arrangements that sheriffs may have with health care providers. Some arrangements may allow them to pay health care rates that are less than the formula stated in this bill. While this bill would not affect any existing contracts, any contracts effective after July 1, 2009, could not have payment rates less than what is described in this formula. Consequently, when these existing contracts

expire, the new contracts could be more expensive for these counties.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: County sheriffs.

Information Sources: Indiana Hospital Association; Indiana Sheriffs Association.

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